

FISCAL NOTE

SB 398

March 29, 2007

SUMMARY OF BILL: Requires attorney fees and other litigation expenses incurred in obtaining a workers' compensation award to be deducted from the award in determining the amount to be integrated with the TCRS disability retirement benefits.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$161,600

Increase Local Govt. Expenditures* - \$71,800

Other Fiscal Impact – Increase Federal/Other Expenditures - \$53,900

Assumptions:

- Approximately \$287,300 in attorney fees and other litigation expenses (20% of total workers' compensation awards of approximately \$1,436,000) will be awarded on an annual basis.
- This bill will require TCRS to pay, on behalf of retirees receiving TCRS disability benefits, the cost of attorney fees and other litigation expenses incurred by the retiree in obtaining a workers' compensation award from a participating public employer.
- The presumed funding ratio for state employee cost between the General Fund and other funding sources is 75% state and 25% federal/other.
- The presumed ratio for reported work disabilities with TCRS benefit coordination is 75% state employees and 25% local government employees.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director